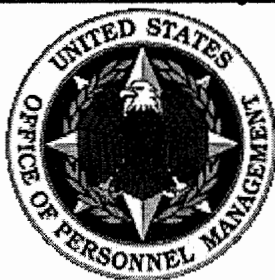


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U.S. Office of Personnel Management

Handouts for employee's who is PCSng-Out and currently on Leave Without Pay (LWOP) status or other Non Pay Status on Federal Benefits and Programs

Effect of Extended Leave Without Pay (LWOP) (or Other Nonpay Status) on Federal Benefits and Programs	
Type of Benefit/Program	The amount of LWOP (or other nonpay status) that is considered creditable service for purposes of determining an employee's entitlement to or eligibility for the following Federal benefits and programs:
Career tenure	The first 30 calendar days of each nonpay period is creditable service.
Completion of probation	A total of 22 workdays in a nonpay status is creditable service.
Time-in-grade requirements (requirements for promotion)	Any nonpay status is creditable service.
Retirement benefits	A total of 6 months in a nonpay status in any calendar year is creditable service. Coverage continues at no cost to the employee while in a nonpay status. When employees are in a nonpay status for only a portion of a pay period, their contributions are adjusted in proportion to their basic pay (5 U.S.C. 8332 and 8411).
Health benefits	Enrollment continues for no more than 365 days in a nonpay status. The nonpay status may be continuous or broken by periods of less than 4 consecutive months in a pay status (5 CFR 890.303(e)). The Government contribution continues while employees are in a nonpay status. The Government also is responsible for advancing from salary the employee share as well. The employee may choose between paying the agency directly on a current basis or having the premiums accumulate and withheld from his or her pay upon returning to duty.
Life insurance	Coverage continues for 12 consecutive months in a nonpay status without cost to the employee (5 CFR 870.401(c)) or to the agency (5 CFR 870.401(d)). The nonpay status may be continuous, or it may be broken by a return to duty for periods of less than 4 consecutive months.
Within-grade increases	A total of 2 workweeks in a nonpay status in a waiting period is creditable service for advancement to steps 2, 3, and 4 of the General Schedule; 4 workweeks for advancement to steps 5, 6, and 7; and 6 workweeks for advancement to steps 8, 9, and 10 (5 CFR 531.406(b)). For prevailing rate employees (WG, WL, and WS schedules), a total of 1 workweek in a

	nonpay status is creditable service for advancement to step 2, 3 workweeks for advancement to step 3, and 4 workweeks for advancement to steps 4 and 5 (5 CFR 532.417(b)).
Accrual of annual and sick leave	<p>When a full-time employee accumulates 80 hours of LWOP during a pay period, the employee does not earn annual leave or sick leave during that pay period. The employee earns leave in the next succeeding pay periods until he or she again accumulates 80 hours of LWOP during a pay period (5 CFR 630.208). When a part-time employee is in a nonpay status, he or she will accrue less annual leave and sick leave, since part-time employees earn leave on a pro-rata basis--i.e., based on hours in a pay status (5 CFR 630.303 and 630.406).</p> <p>For purposes of computing accrual rates for annual leave (i.e., 4, 6, 8 hours each pay period), 6 months of nonpay status in a calendar year is creditable service (5 U.S.C. 6303(a) and 8332(f)).</p>
Reduction in force (determining years of service)	A total of 6 months of nonpay status in a calendar year is creditable service.
Severance pay	<p>Nonpay status time is fully creditable for the 12-month continuous employment period to qualify for severance pay (5 U.S.C. 5595(b)(1) and 5 CFR 550.705). However, for purposes of computing an employee's actual severance payment, any time in a nonpay status that is not creditable for leave accrual must be excluded from his or her creditable service.</p> <p>(5 U.S.C. 5595(c)(1) and 5 CFR 550.707-708.)</p>
Thrift Savings Plan (TSP)	Agencies should refer to the Thrift Savings Plan Bulletin for Agency TSP Representatives, No. 01-22, dated May 3, 2001. For additional information, agency representatives may contact the Federal Retirement Thrift Investment Board at (202) 942-1460. Employees should refer to the TSP Fact Sheet - Effect of Nonpay Status on TSP Participation. Both issuances are available from the TSP internet web site at www.tsp.gov .
Military duty or workers' compensation	Nonpay status for employees who are performing military duty or being paid workers' compensation counts as a continuation of Federal employment for all purposes upon the employee's return to duty.

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